

**Local Government  
and Communities  
Committee:  
Scottish Budget  
2020-21**

Shelter Scotland  
submission

August 2019

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## Introduction

Shelter Scotland welcomes the opportunity to contribute to the Local Government and Communities Committee's budget scrutiny. We do so from the point of view of a charity which campaigns for a safe, secure home for everyone. This means ensuring:

- An adequate supply of homes which people can afford
- That people who need help to stay in those homes get that help
- That housing is appropriately managed and regulated

So, our submission is framed by those concerns.

Shelter Scotland helps over half a million people every year struggling with bad housing or homelessness through our advice, support and legal services. And we campaign so that, one day, no one will have to turn to us for help.

We're here so no one has to fight bad housing or homelessness on their own.

### **1. What are the big medium-term (5-year) and longer-term (10+ year) financial challenges for Scottish local authorities?**

The main horizon issues for local government are as set out in the call for evidence: in other words, the pincer movement of static or falling revenue with rising costs in high priority, demand-led and major spend areas of education, child protection and adult social care. So even a "standstill" situation (i.e. without change in policy or statutory responsibilities) results in a widening budget gap. This has manifestly resulted in a greater squeeze on lower-profile and opaquely-funded services such as housing support, advice and funding for third sector partners. Homelessness services, to the extent that they are statutory, have some degree of protection but the squeeze results in a trend towards reactive and expensive services such as temporary accommodation and pressure on more cost-effective "upstream" or prevention work.

### **2. How effectively are councils addressing these challenges? Do councils currently have all the powers they need to do so?**

Over the last two decades councils have, on the whole, responded constructively and, on occasion, imaginatively, to successive improvements in homelessness and housing rights. However, it is equally clear that councils are struggling at times too. In August 2019 Shelter Scotland prepared to initiate a general action against Glasgow City Council for repeated and systemic failures to meet the statutory rights of homeless people. Over in Edinburgh the council is routinely and significantly breaching the "unsuitable accommodation order" for the provision of temporary accommodation for homeless people. These are simply

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the two largest examples of ways in which councils are feeling the strain and failing to meet statutory duties.

On the issue of sufficient powers, it is difficult to think of a service where councils have all the powers they need to achieve the outcomes they seek. However, the limitations of powers are evident in different ways:

- Some are a consequence of the constitutional settlement and where powers lie as between UK and devolved administrations. For example, the implementation of universal credit has impacted on the underlying demand for advice and support and increased pressure on homelessness services. In some localities, the freeze on Local Housing Allowance has displaced pressure from private renting into homelessness functions, temporary accommodation and social housing lettings.
- Some are limitations on powers within the ambit of the Scottish Parliament. The tax base is very narrow in a European context and the main tax which does lie in the control of councils – council tax – has very little wiggle room, either from a revenue raising perspective or in the way it could shape the housing market. On the latter, councils do have some discretion over how the tax applies to second and empty homes but these are very modest discretions.
- Some limitations in powers are a consequence of poor design. An example would be the powers to declare Rent Pressure Zones in the Housing (Scotland) Act 2016, which remain unused and arguably unusable.

**3. What practical steps should councils take, and what good practice should councils adopt, to plan for the medium and long-term and to anticipate financial risks? If you are a council answering this question, it would be helpful if you could clarify if you practice medium and long-term financial planning and outline briefly what form this takes.**

Councils should aim to plan beyond the electoral cycle, ideally on a ten-year horizon, based on a range of scenarios. Three-year plans from Scottish Government would help that. On capital funding, the current programme of 50,000 affordable homes across the parliamentary session has been the most significant programme of affordable housing since the 1970s and Shelter Scotland's analysis suggests it is within grasp of being achieved. However, the Scottish Government urgently needs to clarify its intentions for phase two of that programme so that momentum can be sustained and built upon.

Much has been said about the need for councils to seek financial stability by eschewing incremental change and to undertake service transformation. This is hard to contest but the need for management capacity and skills and transition funding to support the transformation process is equally hard to avoid.

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#### **4. What alternative models of planning for, and delivering, council services (for example, joint working initiatives) could help local authorities make efficiency savings and/or deliver better services?**

From our own experience we would offer a couple of examples:

- As host of the Scottish Empty Homes Partnership we are focusing a lot on the value of dedicated empty homes staff within each local authority and, as part of that, several councils have taken up the opportunity to host a shared service post with neighbouring councils, at the very least as a proof of concept project: increasing housing supply, contributing to community regeneration and placemaking and increasing council tax yield. At present 21 councils have dedicated empty homes staff.
- Using that analogy, we have also trialled “Private Landlord Support Officers” as a way of engaging with the growing number of private landlords and letting agents in a more pro-active way. This is the kind of upstream work which we believe is at risk just now, but is fundable through income raised from landlord registration.

#### **5. Are there any other issues relating to the long-term sustainability of Scottish local government which you wish to bring to the attention of the Committee?**

Drawing from our comments above we would observe:

- The funding base for councils is too narrow and too tightly-controlled
- Service transformation is needed but that takes management capacity and a source of transition funding
- One-year funding settlements need to be replaced by longer term budget horizons: three years for budget allocations and ten years for planning.

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Please support us at [shelterscotland.org](https://shelterscotland.org)

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